Proportion of US loans trading north of par edges up modestly following headline volatility

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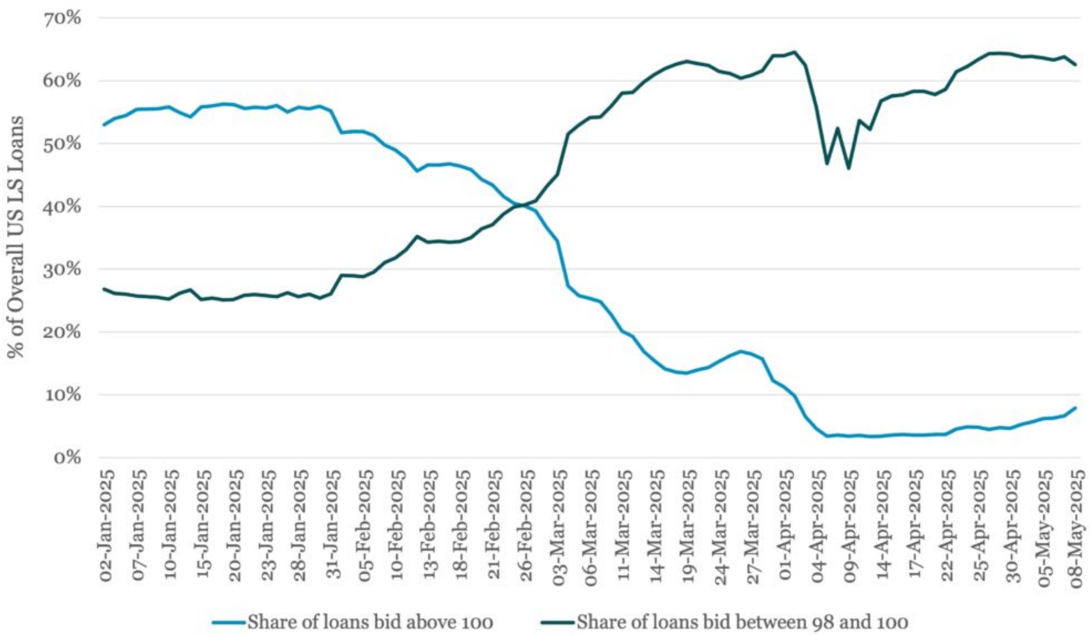

Source: LSTA/LSEG LPC MTM Pricing

In the wake of headline making talk of tariffs – and implicitly fears of a trade war – in April US loan investors pulled back in the secondary causing average bids to come off highs before showing signs of a modest recovery in May. In January 2025, nearly 56% of all traded loans (and over 70% of the 100 most widely held loans, specifically) were bid north of par in a testament to market liquidity, deal appetite and growing economic confidence ahead of the inauguration. By early April, just over 3% of the overall loan market was bid north of par as uncertainty mounted. In turn, the proportion of loans trading in the 98 – 100% range eddged up (although not without some periodic swings) landing in the 63-64 range%, up from less than 27% in January. More recently, the proportion of par plus loans has shown nascent signs of a tentative recovery, to hover in the range of almost 8%.